

Introduction & Notes re: AVAP Annual Assessment Setting Workbook

September 2018 Draft for AVAP's fourth Assessment Setting Year Starting January 1, 2019

Note: Substantial Revisions May be Made to this Spreadsheet

01. This workbook follows the naming conventions of having each sheet begin with a letter (i.e., "a." through "f."), and each cell within each sheet be identified by row number (e.g., "01.") and column letter (e.g., "A"). So, to facilitate reference while collaborating via conference phone, users can refer to any single number, for example the new child vaccine calculated assessment rate, by a combination of the above. For that key number, for example, the reference is "a.42.C".
02. Since the first measurement period is for the months of Oct-Dec 2018 and assessments are due forty-five (45) days after the end of the quarter, the first assessment payment with the 2019 rate will be February 15, 2019 for the assessment months of Jan-Mar 2019.
03. The primary spreadsheet for the work is the assessment calculation worksheet, worksheet a. The other sheets are intended to be reference or to develop background data in specific areas for the work. Key data for developing the primary funding target is on spreadsheets d. & e. which contain data supplied by the DHSS for the vaccine funding needs. Key numbers from a subsidiary sheet rolled into the main assessment sheet generally are shaded in yellow.
04. Key control points expected to be subject to policy decisions by DHSS or the Council are coded in green. On the protected version of the sheets, cells not shaded green may be locked out to reduce the likelihood of user error. The password used is "AVAP" -- this is not a matter of confidentiality, but rather to reduce error. Users who want to unlock the sheets for any reason are welcome to do so.
05. Those cells in which entries normally would be made are shaded in green. They are unprotected to allow data entry. For example, a user can adjust utilization assumptions for increases over prior years by entering percents either by vaccine on sheets d. & e. or overall on sheet a. (Line 21). The vaccine funding target takes the number as adjusted by those two factors and then applies the assumed cost increase (Line 22). The cost increase is applied for 9/12 of the year for childhood vaccines since it typically becomes effective as of April 1 each year (1/2 of the year due to the July 1 effective date for adult vaccine contract changes).
06. It is anticipated that the Council will, as part of its deliberations and upon considering the input of any public members or others at its meeting(s), adjust the assumptions which guide the assessment level. The Council's recommendations will be considered by the Commissioner who has final decision-making authority regarding assessment rates.

Alaska Vaccine Assessment Program Assessment Calculation Worksheet

Column →	CHILDREN		ADULTS		
Line ↓	Prior	Next	Prior	Next	Comments
A. Preliminary Vaccine Cost Estimates					
01.	7,644,209	7,347,869	2,153,139	1,670,866	Est. Costs of Vaccines (sheets d. & e. with utilize. & price adj.)
02.	191,105	183,697	53,828	41,772	DHSS Administrative Fee
03.	382,210	367,393 ¹	107,657	83,543	Vaccine Waste Allowance
04.	556,539	-323,868 ²	567,851	-105,925 ¹	Liquidity Reserve Buildup (Return)
09.	8,774,063	7,575,091	2,882,475	1,690,256	Net AVAP Funds Requested by DHSS
B. Assessable Covered Lives Estimates					
11.	88,630	88,965	287,738	283,417	Assessable Covered Lives (sheet c.)
12.	1.50%	1.50%	1.50%	1.50%	Leakage (unknown insurer, out of reach entity, etc.)
19.	87,301	87,631	283,422	279,166	Assessable lives actually paying
C. Planning / budgeting parameters					
21.	0.00%	0.00%	0.00%	0.00%	Provision for vaccine utilization increase
22.	3.75%	3.75% ³	3.75%	3.75% ²	Provision for vaccine cost increase
23.	0.25%	0.25% ⁴	0.25%	0.25%	Bad debt allowance (as a % of funds to be remitted)
24.	2.50%	2.50%	2.50%	2.50%	DHSS administrative fee
25.	5.00%	5.00%	5.00%	5.00%	DHSS waste cost cap
26.	3.0	3.0 ⁴	3.0	3.0	Working Capital Reserve as months of ave. Line 09 amount
27.	30.00%	0.00% ⁴	30.00%	0.00%	% of reserve to build in future years
28.	0.00%	0.00%	0.00%	0.00%	Other reserves as allowed by law & deemed prudent
29.		33.33%		33.33%	% of excess reserve, if any, to release each year
D. Assessment Calculation					
31.	\$ 8,774,063	\$ 7,575,091	\$ 2,882,475	\$ 1,690,256	(a) Estimated total non-federal cost (adjusted)
32.	219,794	221,945	72,206	49,523	Total Administrative Budget (from sheet b.)
33.	21,935	18,938	7,206	4,226	Bad Debt Allowance
34.	9,015,792	7,815,974	2,961,887	1,744,005	Vaccine + Cash Reserve + Operating Cost components
36.	0	0	0	0	(c) part 3 - Other Reserves
39.	\$ 9,015,792	\$ 7,815,974	\$ 2,961,887	\$ 1,744,005	Total Assessment Billed
E. Per Assessable Covered Life Assessment					
41.	\$103.27	\$ 89.19	\$10.45	\$ 6.25	Annual Assessment per covered life
42.	\$8.61	\$ 7.44	\$ 0.88	\$ 0.53	Monthly Assessment per covered life calculated
43.	\$8.61	\$ 7.44	\$ 0.88	\$ 0.53	Monthly Assessment per covered life set
F. Financial Carry Forwards					
51.	21,935	18,938 ²	7,206	4,226 ³	Unexpended assessments anticipated to roll forward
G. Various Performance Metrics					
61.	2.88%	3.02%	3.35%	2.96%	Net admin costs as % of vaccine costs
62.	120.44%	108.87%	140.06%	106.88%	Total costs as a % of vaccine costs
63.	0%	-14%	47%	-40%	% year to year change in assessment rate
64.	\$ 8.07	\$ 7.74 ⁵	\$ 0.70	\$ 0.55 ⁴	"Normalized" assessment rate

- Notes:**
- Alaska's distribution conditions present serious challenges to waste costs. DHSS has agreed to cap the loss at 5% for calendar year 2018.
 - Carryforward cash amounts, if any, will be applied to reduce subsequent years' assessments (see line 04).
 - The provision for cost increases is applied for 9 months for childhood vaccines and 6 months for adult vaccines in developing the line 01. cost estimate (This is due to the fact that the CDC contracts for children reprice in April and for adults in July.)
 - Only one control point given since assumes that factors are same for both Child & Adult.
 - This calculation gives an indication of what the assessment rates would have been for a mature program this year (i.e., without reserve changes).

Alaska Vaccine Assessment Program Budget Estimates and Allocations

Column →	A	B	C	D	E	F	G	H
Line ↓			CHILDREN				ADULT	
	Prior Year	Unallocated ¹	Specific	Allocated ¹	Total	Specific	Allocated ¹	Total
01. Administrative Fees (program administrator selected by DHSS)								
02. Annual Base Fee	275,000	254,468 ²		208,046	208,046		46,422	46,422
03. Expense Allowance (travel)	-	- ³		-	-		-	-
04. Other	-	-		-	-		-	-
05. Subtotal	275,000	254,468	-	208,046	208,046	-	46,422	46,422
General Expenses								
06. Bank Fees & Service Charges	6,500	6,500 ⁴		5,314	5,314		1,186	1,186
07. Auditing Fees	10,500	10,500 ⁵		8,585	8,585		1,915	1,915
08. Legal Fees				-	-		-	-
09. AVAP Miscellaneous Expenses				-	-		-	-
10. Office Expense				-	-		-	-
11. Telephone Expense				-	-		-	-
12. Postage and Shipping Expense				-	-		-	-
13. Significant Customized Website Enhancement				-	-		-	-
14. Public Information Expense (other than web site)				-	-		-	-
15. Printing Expense				-	-		-	-
16. Publications				-	-		-	-
17. Travel Expense				-	-		-	-
18. Meeting Expense	-	-	-	-	-	-	-	-
29. Subtotal	17,000	17,000	-	13,899	13,899	-	3,101	3,101
Special Projects								
31. [Redacted]				-	-		-	-
32. [Redacted]				-	-		-	-
33. [Redacted]	-	-	-	-	-	-	-	-
39. Subtotal	-	-	-	-	-	-	-	-
49. Total Expenses	292,000	271,468	-	221,945	221,945	-	49,523	49,523
59. Budgeted for Bad Debt								

NOTES:

¹ "Unallocated" in this spreadsheet means that the specific item is not specific to either child or adult vaccines. If no other rule is given, allocation will be based upon the ratio of the child & adult vaccine funds needed, respectively, to the total. That computation is as follows:

total child: 7,575,091 total adult: 1,690,256 **81.76%** is the child % of total

² Assumes KidsVax[®] contract is renewed at current contracting standards. An evergreen contract approach would reduce this somewhat in 2018 and also limit future increases

³ KidsVax[®] has bundled travel costs into the 2017 contract.

⁴ Set at last year's expense (which should be adequate) plus \$1,000 to allow for any necessary cost increases.

⁵ Set at last year's expense (which should be adequate) plus \$1,000 to allow for any necessary cost increases.

⁶ Bundled in KidsVax[®] contract.

⁷ Not likely to be needed. KV makes significant annual investment in web & other IT technology and deploys to all states under technology licenses.

⁸ To be set as part of the assessment work.

AVAP Covered Lives Estimates

Column → Line ↓	A	B	C	D
	Source / Entity	Date	Children	Adults
A. Current Estimate of Covered Lives				
01.	AVAP Self-Reporting assessment system #s	15-Aug-18	88,965	253,184
02.	Provider Opt-In uninsureds (unique to AK)			30,233
03.				
04.				
05.				
09.	total		88,965	283,417
B. Possible Deductions				
11.				
12.				
13.				
14.				
15.				
16.				
19.	total		0	0
C. Possible Additions				
21.				
22.				
23.				
24.				
29.	total		0	0
D. Totals				
99.	Best Current Estimate		88,965	283,417
xx.	Note prior quarter numbers for reference	15-May-18	82,656	244,860
E. Known outliers				
101.	None			
102.				
103.				
104.				
109.	total		0	0

Note: August 15, 2018 includes actual TRICARE reported lives for this quarter (this is the 1st time)
 (Note KidsVax® still is pressing for methodological improvements which would be expected to raise these #s)

**DHHS Pediatric Vaccine Purchase Estimates
AVAP Calendar Year**

Column → A B C D F G H I J K
Line ↓

	Vaccine	Brand Name	NDC	Cost Per Dose*	PY Estimated Doses	Total Estimated Doses	Total Estimated Cost	Vaccine Level AVAP Adjustments	AVAP Budget
01.	DTaP*	Infanrix		\$18.89	5,050	4,550	\$85,950	0.00%	\$85,950
02.	DTaP/Hep B/IPV	Pediarix		\$57.97	10,890	10,680	\$619,120	0.00%	\$619,120
03.	DTaP/IPV	Kinrix		\$40.19	3,680	3,650	\$146,694	0.00%	\$146,694
04.	Hep A	Havrix		\$19.58	8,670	8,390	\$164,276	0.00%	\$164,276
05.	Hep B	Recombivax		\$12.30	2,310	2,330	\$28,659	0.00%	\$28,659
06.	Hib - PRP-OMP	PedvaxHIB		\$13.09	11,290	11,040	\$144,514	0.00%	\$144,514
07.	9vHPV*	Gardasil9		\$168.10	9,410	7,550	\$1,269,155	0.00%	\$1,269,155
09.	e-IPV	IPOL		\$13.30	1,640	1,080	\$14,364	0.00%	\$14,364
10.	Meningococcal	Menactra		\$91.81	5,700	5,830	\$535,252	0.00%	\$535,252
11.	MENB	Bexsero		\$103.40	1,640	250	\$25,850	0.00%	\$25,850
12.	MMR	M-M-R II		\$21.05	8,740	10,580	\$222,709	0.00%	\$222,709
13.	PCV13	Prevnar 13		\$131.77	14,750	14,030	\$1,848,733	0.00%	\$1,848,733
14.	Rotavirus	RotaTeq		\$70.49	9,290	9,110	\$642,164	0.00%	\$642,164
15.	Tdap	Boostrix		\$31.37	5,150	5,550	\$174,104	0.00%	\$174,104
16.	Varicella	Varivax		\$98.24	8,460	8,340	\$819,322	0.00%	\$819,322
17.				\$14.50					
18.									
21.	Influenza†	GSK Fluarix Syr 36+ mos		\$14.43	10,900		\$0	0.00%	\$0
22.	Influenza†	Sanofi Fluzone Syr 6-35 mos		\$15.68	14,750		\$0	0.00%	\$0
23.	Influenza†	Sanofi Fluzone MD 6+ mos		\$15.68	5,000		\$0	0.00%	\$0
24.	Influenza†	Sanofi Fluzone Syr 36+ mos		-	15		\$0	0.00%	\$0
25.	all flu			\$14.50		28,000	\$406,000	0.00%	\$406,000
18.	TOTAL				PY Cost Estimated: \$ 7,435,097		\$7,146,864		\$7,146,864
19.							Adjusted for overall utilization increase		\$7,146,864
20.							Adjusted for price increase		\$7,347,869

Notes:

*Cost per dose is based on the CDC Vaccine Price List, which can be found here:
<http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/>
 †Influenza brand names vary each influenza season

**DHHS Adult Vaccine Purchase Estimates
AVAP Calendar Year**

Column →
Line ↓

	A	B	C	D	E	F	G	H	
	Vaccine	Brand Name	NDC	Cost Per Dose*	PY Estimated Doses	Total Estimated Doses	Total Estimated Cost	Vaccine Level AVAP Adjustments	AVAP Budget
01.	9vHPV (19-26 yrs)	Gardasil9		\$144.18	3,100	1,780	\$256,640	0.00%	\$256,640
02.	Meningococcal Conjugate (19-20 yrs)	Menactra		\$78.11	250	100	\$7,811	0.00%	\$7,811
03.	MENB	Bexsero		\$106.15	75	100	\$10,615	0.00%	\$10,615
04.	PPSV23	Pneumovax23		\$56.14	2,660	1,670	\$93,749	0.00%	\$93,749
05.	Td	Tenivac		\$13.96	530	1,370	\$19,131	0.00%	\$19,131
06.	Tdap	Boostrix		\$24.79	13,640	10,820	\$268,228	0.00%	\$268,228
07.	Zoster Recombinant	Shingrix		\$102.19	2,100	5,000	\$510,950	0.00%	\$510,950
08.									
11.	Influenza†	Sanofi Fluzone MD		\$12.57	25,500		\$0	0.00%	\$0
12.	Influenza†	GSK Flaurix Syr		\$12.72	36,000		\$0	0.00%	\$0
13.	Influenza†	Sanofi Fluzone High Dose		\$39.50	5,000		\$0	0.00%	\$0
14.	All Influenza			\$14.50		32,620	\$472,990	0.00%	\$472,990
21.				PY Cost Estimated: \$ 2,113,510			\$1,640,113		\$1,640,113
22.							Adjusted for overall utilization increase		\$1,640,113
29.							Adjusted for price increase		\$1,670,866

Notes:

*Cost per dose is based on the CDC Vaccine Price List, which can be found here:
<http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/>
 †Influenza brand names vary each influenza season

Prior Year's Financial Recap

Column →	A	B	C	D
Line ↓			Child	Adult
01.	2 Starting Cash balance	1-Jan-2018	3,091,234	1,083,060
02.	2 Increment from 2017 AVAP operations		21,935	7,206
03.				
04.				
05.				
09.	Total		3,113,169	1,090,266
Estimated Revenues				
11.	TRICARE advance payment on arrears		1,500,000	
12.				
13.				
14.				
19.	Total		1,500,000	-
Expenditures / Allowances				
21.	TRICARE return to state discretionary vaccine fund		1,500,000	
22.				
23.				
24.				
25.				
26.				
27.				
29.	Total		1,500,000	-
31.	Estimated Starting Balance January 1		3,113,169	1,090,266
33.	Target months cash (non-flu)	3	1,735,467	299,469
34.	Target cash for flu		406,000	472,990
35.	Target cash reserve (Line 34 + Line 35)		2,141,467	772,459
36.	Deferral amount	0.00%	-	-
37.	Target Cash Reserve net of deferral		2,141,467	772,459
99.	Excess Cash balance above Cash target		971,702	317,807

Notes:

¹ KV believes that the TRICARE arrearage owed is higher than the \$2,526,652 it offered in full settlement on June 27, 2018. So far TRICARE has prepaid \$1,500,000 leaving \$1,026,652 due AVAP by its calculations.

² From recently released auditors report for 2017.

³ At present point just assuming the bad debt reserve is unexpended in 2017. As experience is gained and program matures, may be able to make better estimates in future years.

⁴ Voluntary contribution requested by WVA's board chair. Amount to be determined by DHSS after considering the Council's recommendation.

Development of carryforward cash by fund:

	Child	Adult
2015 target assessment billed	6,722,322	3,567,765
2016 target assessment billed	6,522,946	2,146,641
2017 target assessment billed	8,219,588	2,003,055
2018 target assessment billed	9,015,792	2,961,887
totals	30,480,648	10,679,348
percents	74%	26%
	<u>12/31/2017 total per audit</u>	
Assessment carryforward from 2017 audit	4,174,294	3,091,234